

MEMORANDUM

TO: ALL Group Home Program Applicants

FROM: Robert A. Shapiro, Assistant Director
Single Family Housing

DATE: July 13, 2015

RE: Federal Funds Notice

Single Family Housing (SFH) has the ability to leverage our very successful Group Home Financing Program (GHFP) and Special Housing Opportunities Program (SHOP) with federal HOME Investment Partnerships Program (HOME) funds. CDA's HOME funds generally may not be used for projects in Baltimore City, Anne Arundel, Baltimore, Harford, Howard, Montgomery and Prince George's Counties, since these counties ("entitlement jurisdictions") receive their own allocation of HOME funds.

A requirement of the HOME Program and the Federal Uniform Relocation Action (URA) is that a notice be given to each seller prior to the signing of a binding sales contract informing the seller of the following:

1. The property is/may be purchased with federal assistance;
2. The property is not being taken by eminent domain; and
3. Your estimate of the fair market value of the property. This is your estimate of the property's value. This estimate must include an explanation with reasonable evidence for the basis of your estimate.

SFH has prepared a Federal Funds Notice (copy attached) which you must complete and then have the Seller sign and date prior to entering into a binding sales contract with the seller. The executed Notice must be included in all applications. If this Notice is not received with your application, you will not be eligible for HOME funds to be used in your project. This notice is required even if the property was listed for sale prior to your offer.

If the property you choose to purchase is occupied by **tenants**, these tenants may be eligible for relocation assistance as a displaced person, even though the sale by the owner is considered a voluntary sale. Please confirm at the time of the signing of the sales contract, the occupancy status of the property.

SFH has tried to make compliance with the federal funding requirements as easy as possible for you. We hope that you will agree that the very favorable terms of the HOME funds for your project outweigh the extra steps involved in accessing these funds.

Questions regarding this Memorandum should be directed to me at 301-429-7782 or robert.shapiro@maryland.gov.

A Federal Funds Notice must be executed prior to entering into a binding sales contract with the seller for **all** Group Home Program loan requests

FEDERAL FUNDS NOTICE

TO: _____
(Name of Seller)

FROM: _____
(Name of Borrower)

DATE: _____

RE: _____
(Property Address)

We, _____, will be applying to the
(Name of Borrower)

Department of Housing and Community Development's (DHCD) Single Family Housing (SFH) for financing to purchase the above-referenced property. DHCD has various lending programs funded with bond, State and federal funds. Federal regulations require that before a binding sales contract can be executed, the following Notice must be given to owners who are voluntarily selling a property to prospective DHCD borrowers who may be eligible to apply for federal funds.

- This property may be purchased with federal assistance;
- We, _____, do not have the
(Name of Borrower)
power of eminent domain and therefore, the property will not be acquired if negotiations between the buyer and seller fail to result in an amicable sales agreement.
- The estimated fair market value of the property is \$ _____

Please sign this Notice as verification of receipt. Questions regarding this Notice should be directed to Robert Shapiro at 301-429-7782 or 1-800-638-7781 or robert.shapiro@maryland.gov. Thank you for your cooperation.

Signature of Seller

Date